

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**ENERGY DIVISION**

**RESOLUTION E-3391**

**August 24, 2006**

**R E S O L U T I O N**

Resolution E-3391. This Resolution approves Pacific Gas and Electric's (PG&E) request for transfer of the Advanced Metering Infrastructure Memorandum Accounts and disposition and recovery of the balances in the Advanced Metering and Demand Response Account and the Gas Advanced Metering Account. This Resolution also approves PG&E's request for disposition of the balances through the Distribution Revenue Adjustment Mechanism (DRAM) and the Core Fixed Cost Account (CFCA) consistent with the AMDRA and GAMA preliminary statements.

By PG&E Advice Letter (AL) 2674-G/2733-E filed on November 2, 2005

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**SUMMARY**

This resolution approves PG&E's request to transfer costs in the Advanced Metering Infrastructure Memorandum Account – Electric (AMIMA-E) to costs in the Advanced Metering and Demand Response Account (AMDRA) and the transfer of Advanced Metering Infrastructure Memorandum Account – Gas (AMIMA-G) to the Gas Advanced Metering Account (GAMA). In addition, pursuant to D. 05-09-044, Energy Division has verified that the costs recorded in AMDRA and GAMA, as filed in Advice 2658-G/2717-E are consistent with the cost categories adopted in D.05-09-044 and approves the disposition of the balances through the Distribution Revenue Adjustment Mechanism (DRAM) and the Core Fixed Cost Account (CFCA).

**BACKGROUND**

**The Commission authorized PG&E to file an Advice Letter to transfer recorded costs in AMIMA-E to AMDRA and AMIMA-G to GAMA.**

On September 22, 2005, the Commission approved PG&E's Application for Recovery of Pre-deployment Costs of the Advanced Metering Infrastructure (AMI) Project in D. 05-09-044. As part of that decision, the Commission authorized PG&E to file an advice letter to transfer any recorded costs that are consistent with the activities and funding

level authorized in the decision from the AMIMA's to AMDRA and GAMA. In addition, D.05-09-044 authorized PG&E to book future costs which were authorized in that decision directly into AMDRA and GAMA. Also, the Commission authorized PG&E to file quarterly advice letters to request cost recovery subject to review of cost categories. On September 30, 2005, the Energy Division verbally provided PG&E permission to request the transfers from AMIMAs to AMDRA and GAMA and to request disposition of the balances in AMDRA and GAMA in one advice letter filing.

### **NOTICE**

Notice of PG&E 2674-G/2773-E was made by publication in the Commission's Daily Calendar. PG&E states that a copy of their AL was mailed and distributed in accordance with Section III-G of General Order 96-A.

### **PROTESTS**

No Protests were filed.

### **DISCUSSION**

**Energy Division recommends approving PG&E's request to transfer AMIMA-E to costs in the AMDRA and the transfer of AMIMA-G to GAMA, as specified in ordering 7 of D.05-09-044.**

AMIMA-E account balance includes the cost for electric AMI pre-deployment activities for July and August 2005 and the September interest on the July and August balances. Energy Division recommends approving the transfer of electric AMI Project Pre-deployment Activities (AMIMA-E) costs of \$99,196 including interest to AMDRA.

The AMIMA-G account balance includes the cost for gas AMI pre-deployment activities for July and August 2005 and the September interest on the July and August balances. Energy Division recommends approving the transfer of gas AMI Project pre-deployment activities (AMIMA-G) cost of \$84, 513 to GAMA.

**Energy Division has determined the costs recorded in AMDRA to be consistent with the cost categories adopted in D.05-09-044. As such, Energy Division recommends the final disposition of \$10, 242, 689 through DRAM**

The AMDRA account balance includes the following for the period August 1, through September 30, 2005:

1. The AMDRA account balance includes the incremental costs associated with AMI project development and management activities, consistent with the PG&E preliminary statement, part CS -Advanced Metering and Demand Response Account authorized as part of D. 05-09-044. Those activities include costs such as project management, Request for Proposal (RFP) development and analysis, business case development, contract negotiation, development of PG&E's rate case applications, and the September 2005 costs for electric AMI pre-deployment activities.
2. As directed by D.05-01-056, PG&E implemented its approved 2005 Demand Response programs. In accordance with that decision, and prior decisions in Rulemaking (R.) 02-06-001, the costs to develop, implement and measure these demand response programs are currently placed in the AMDRA account.
3. Pursuant to D. 04-01-012, PG&E included in AMDRA the costs of the Statewide Pricing Pilot (SPP) activities.

Energy Division staff has reviewed the costs recorded in AMDRA from August 1 through September 30, 2005, including the transfer of costs from AMIMA-E, and finds them to be consistent with Commission directives. Energy Division staff, therefore recommends the final disposition of \$10, 242, 689 through DRAM.

**Energy Division has determined the costs recorded in GAMA to be consistent with the cost categories adopted in D.05-09-044, and recommends the final disposition of \$106,605 through the Core Fixed Cost Account (CFCA)**

Energy Division staff has reviewed the costs recorded in GAMA from September 22, 2005 through September 30, 2005 including the transfer of costs from AMIMA-G, and finds them to be consistent with Commission directives. Energy Division staff, therefore recommends the final disposition of \$106, 605 through CFCA.

## **COMMENTS**

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g) (3) provides that this 30-day period may be reduced or waived pursuant to Commission adopted rule.

The 30-day comment period may be reduced where the Commission has determined that relief requested is an uncontested matter, as defined in Rule 77.7(f)(2).

## **FINDINGS**

1. On November 2, 2005 PG&E filed Advice Letter 2674-G/2733-E requesting authority for transfer of the Advanced Metering Infrastructure Memorandum Accounts and the disposition and Recovery of the Balances in the Advanced Metering and Demand Response Account (AMDRA) and the Gas Advanced Metering Account (GAMA).
2. Energy Division has reviewed the PG&E advice letter and recommends approval of PG&E's request to transfer costs recorded in Advanced Metering Infrastructure Memorandum Account –Electric (AMIMA-E) to AMDRA, as specified in D.05-09-044.
3. Energy Division recommends approval of PG&E's request to transfer costs from the Advanced Metering and Infrastructure Memorandum Account – Gas (AMIMA-G) to the Gas Advanced Metering Account (GAMA) , as specified in D.05-09-044.
4. Energy Division has reviewed the costs recorded in AMDRA and finds them to be consistent with cost categories adopted in D. 05-09-044.
5. Energy Division recommends disposition of the total AMDRA balance of \$10,242,689 through the Distribution Revenue Adjustment Mechanism (DRAM).
6. Energy Division recommends disposition of the total GAMA balance of \$106,605 through the Core Fixed Cost Account (CFCA).

## **THEREFORE IT IS ORDERED THAT:**

1. PG&E is authorized to transfer costs recorded in AMIMA-E for the costs for electric AMI pre-deployment activities for July and August 2005 and the September interest on the July and August Balances, to AMDRA.
2. PG&E is authorized to transfer costs recorded in AMIMA-G for costs for gas AMI pre-deployment activities for July and August 2005 and the September interest on the July and August balances to GAMA.
3. PG&E is entitled to full disposition of the AMDRA balance through DRAM.
4. PG&E is entitled to full disposition of the GAMA balance through CFCA.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on August 24, 2006; the following Commissioners voting favorably thereon:

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STEVE LARSON  
Executive Director

MICHAEL R. PEEVEY  
PRESIDENT  
GEOFFREY F. BROWN  
DIAN M. GRUENEICH  
JOHN A. BOHN  
RACHELLE B. CHONG  
Commissioners